BRITISH COLUMBIA

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highlights

a weekly digest of recently released British Columbia statistics

Business

- **Investment in British Columbia is expected to increase 9.9% from the previous year to $20.4 billion in 1997**. After declines in the past few years, spending intentions are slightly above the last peak in 1994. Government spending plans show an increase of 14.6% for the year.

New construction accounts for 70% of total investment, with the balance in machinery and equipment. Planned non-residential construction for 1997 is valued at $7.2 billion, up 16.1% from preliminary 1996 figures. The logging and forestry sector projected spending at 83.4% above 1996 levels. The accommodation, food & beverage sector posted strong growth expectations at 26% above spending in 1994, the previous record year. Real estate and insurance agencies are showing a comeback although the industry has not matched levels of investment in the early 1990's. Investment in housing is expected to increase 7.2% after virtually no change from the previous year.

Investment in new machinery and equipment is expected to increase 6.4% with the strongest showing in retail trade and the financial industries. The construction industry itself is planning to increase its outlay on equipment by 24.6%, although not up to levels reached earlier in the decade.

Overall in Canada, investment intentions were up 11.6%, with the leading regions being the Northwest Territories (25.7%), Alberta (23.1%), Newfoundland (22.8%) and Nova Scotia (21.8%). *Source Statistics Canada*

- **British Columbia s retail sales picked up in May to $2.9 billion, showing the strongest monthly increase (3.6%, seasonally-adjusted) in western Canada.** This was the first increase since January. The largest gains were in department store type merchandise, up 11.7%.

Nationally, retail sales rose by 0.4% in May, with Ontario at 0.5% and Quebec declining 1.6%. Manitoba followed closely behind BC with a 3.5% increase. *Source Statistics Canada*

Housing

- **Housing starts in urban British Columbia in April were up 3% from April a year ago**. Single family home construction showed virtually no change in Vancouver and Victoria, while gains made in Prince George and Courtenay were offset by drops in Abbotsford, Kelowna, Campbell River and Terrace. Increases in new starts of multiple dwellings were recorded in the southern interior cities of Kamloops, Kelowna and Vernon.

Fourteen thousand housing units were under construction in the month of April of which almost 60% were apartment condominiums. Two thousand newly completed units were absorbed into the market that month, either purchased or rented, while another 4,700 units remained unsold.

In April, the average new single-detached home sold in Vancouver had been on the market for 2.5 months, and went for $398,000. About 50% of the newly completed unsold houses in Vancouver had an asking price over half a million dollars and had been on the market more than 8 months. In Victo-

Report **Immigrants choose self employment**

Did you know...?
According to the World Tourism Organization, Canada is the tenth most popular travel destination in the world in 1996.

ria, average time on the market was 0.7 months, with a selling price of $319,000.

Newly completed unsold condominium apartments in Vancouver had been on the market almost a year by April 1997. In Nanaimo that period stretched to 19 months, in Chilliwack 17 months and in Victoria 15 months. Condominium row houses, while fewer in number, tended to sell more quickly. The exception was Victoria, where the average time on the market neared two years. *Source: CMHC*

Traffic Accidents

- **Motor vehicle traffic accidents in British Columbia declined 3.8% from the previous year to 93,483 in 1995**. Despite increases in the number of drivers (up 3.5%) and licensed vehicles (up 1.3%), all types of collisions were down in 1995. The largest decreases were in fatal collisions (-10.3%) where 411 fatalities occurred, followed by property damage accidents (-4.7%) to 60,393, and personal injury (-2.0%) to 32,679.

  In 1995, speeding was the most frequently reported factor involved in fatal motor vehicle accidents. The major causes of fatal collisions were unsafe speed (35.5%), driving without due care (34.5%), alcohol involvement (29.9%), driving on the wrong side of the road (12.4%), and failing to yield the right of way (7.1%).

  Bicycle collisions in British Columbia increased 2.5% in 1995. There were 2119 bicycle accidents involving at least one vehicle. Since 1992, traffic accidents involving bicycles have increased 7.8%. In 1995, 95% of bicycle accidents resulted in the cyclists being injured, seven of those cyclists were killed.

  Source: Insurance Corporation of British Columbia

Tourism

- **In 1995/96 there were 2.2 hectares of park land per BC resident**. This represents an increase from the previous year of 1.8 hectares per British Columbian. The cost to each resident for provincial park expenditure was $8.63, a decrease from the previous year of $9.50.

  Seventy-four percent of visitor respondents indicated they felt secure at a provincial campground, whereas 81% of the visitors to day-use areas had a sense of security.

  Source: Ministry of Environment, Lands & Parks

- **United States residents travelling to BC are on the rise.** In May, there were 275,134 US travellers entering BC, an increase of 4.8% from the previous May. US visitors travelling by automobile increased 7.0% to 149,297, as compared to the 125,837 travellers who came by other modes of travel (2.4%).

  Source: Statistics Canada

Agriculture

- **Berry and nut production in BC improved in 1995 with output measuring 153 million pounds as compared to 143 million pounds in 1994**. The value of this harvest increased 8.4% to $108 million in 1995. Cranberries represent the largest share of the berry crop with $40.6 million in value sold followed by raspberries at $31.3 million and blueberries at $15.3 million. The hazelnut crop increased in 1995 with a crop size of 1.9 million pounds valued at $1.7 million.

  The 1995 tree fruit industry totalled sales of $94.2 million a 41% increase from the previous year. The value of apple sales, the main fruit crop, was $75.0 million in 1995, an increase of 31.4% from the previous year. Sweet cherries were valued at $9.7 million, an increase of 26.8% from the previous year.

  Source: Ministry of Agriculture, Fisheries and Food

The Nation

- **The federal government deficit was estimated at $3.4 billion, down $0.7 billion from April 1996.** Reduction in the deficit was primarily due to higher revenues particularly in employment insurance premiums (up $0.4 billion), personal income tax collected (up $0.3 billion) and corporate income tax (up $0.3 billion). *Source: Federal Department of Finance*

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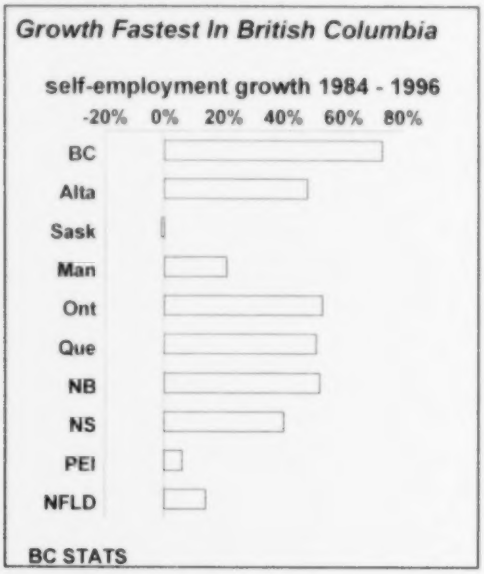
For data originating from Statistics Canada: data sourced to Statistics Canada has been retrieved from CANSIM, the agency s electronic database; otherwise the source is identified as SC plus the publication name or catalogue number.

Infoline Report:

July 25, 1997

Immigrants Boost Self-Employment In British Columbia

Originally published in *Small Business Quarterly*, a release available by annual subscription for $30 plus GST



More people are creating their own jobs everywhere in Canada, but nowhere is this more true than in British Columbia. Particularly strong rates of self-employment growth in British Columbia appear to be linked to high rates of immigration, and migration of people from other provinces. Both have brought more entrepreneurs into the province and expanded the marketplace available to them.

The new self-employed have established themselves in occupations ranging from accountants or business consultants, to construction workers or bed and breakfast operators.

Self-employed British Columbians (excluding those who are full-time students) rose 35 per cent between 1990 and 1996, faster than anywhere else in Canada, and much faster than the 13 per cent rise in the number of employees in the province. Across Canada, self-employment grew 21 per cent, as the number of employees edged up a mere 2 per cent.

With the steady increase in people creating their own jobs, self-employment has become much more common, both in the workforce, and in terms of the overall population. The self-employed accounted for 18 per cent of all British Columbia workers in 1996, up from 16 per cent in 1990. For Canada as a whole, the self-employed accounted for 16 per cent in 1996, up from 14 per cent in 1990.

In terms of the overall population, the number of self-employed in British Columbia rose 16 per cent from 70 per 1,000 people in 1990, to 81 per 1,000 in 1996.

Most self-employed people have no employees of their own, and it is this group that has grown fastest – 56 per cent, from 117 thousand in 1990, to 182 thousand in 1996. Those with employees grew a more staid 14 per cent, from 114 thousand to 130 thousand.

New Arrivals, Population Growth and Self-Employment

Immigration and migration from other provinces have together given the province the fastest population growth in Canada. Net immigration added 224 thousand to the provincial population between 1990 and 1996, and more than 43 thousand in 1996 alone. Net migration from other provinces added even more, expanding the provincial population by about 241 thousand people between 1990 and 1996.

These new arrivals likely included a disproportionately large number of people with the abilities, capital or simply the inclination to become entrepreneurs.

Most recent immigrants (80 per cent in 1996) have been of Asian origin. Already they have become well established in the province's business community, creating jobs and generating new wealth.

Jock Finlayson of the Business Council of British Columbia observes that, 'Asian communities (in British Columbia) have demonstrated a strong entrepreneurial flair.'

This view is shared by Alan Chan, Manager of the Research Centre for SUCCESS, a Vancouver organisation devoted to assisting new immigrants

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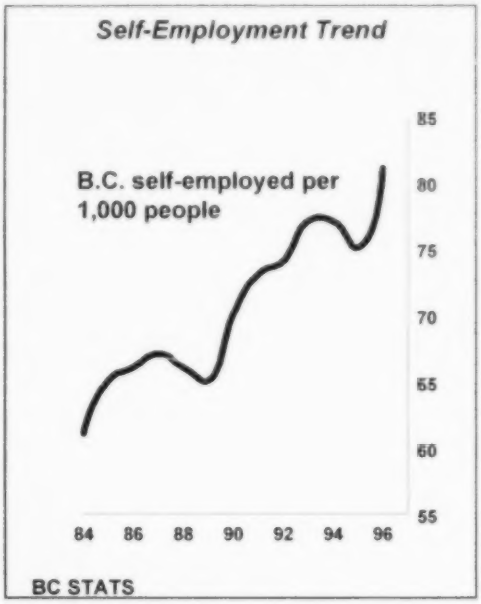
settle in British Columbia. Mr. Chan notes that, 'Asian immigrants have a cultural drive to be successful and are frequently willing to work very hard and accept financial risks to achieve that.'

SUCCESS operates a Small Business Centre in downtown Vancouver to provide support to immigrants initiating their own business ventures.



In Richmond, where a great many recent Chinese immigrants have settled, Lino Siracusa, Manager of Economic Development, observes that, 'about 50 per cent of business licenses issued by the city are taken out by people of Chinese background.'

While few recent statistics are available on the work patterns of migrants from other provinces, it is known that they tend to be more highly educated, a characteristic associated with self-employed people. Like immigrants, they are also people who have already taken a chance with their decision to move, suggesting that they may be more prepared than most to accept risks involved in establishing businesses of their own.

Some may be drawn to work in the construction industry which, like agriculture, employs a relatively high proportion of self-employed labour. Others may have migrated west primarily seeking new scenery or warmer climates.

Even those who arrive in British Columbia without specific career plans may eventually come to consider self-employment as an option.

Mr. Finlayson observes that, 'With no ready supply of employment, people coming to British Columbia are obliged to make their own work,' adding that 'the employment base is small here because relatively few major companies are based in British Columbia and there are few technology companies of any size.'

He says that immigrants or migrants may be more prepared to venture into self-employment because they often have the necessary business experience and capital.

Even older migrants coming to British Columbia to retire may be swelling the numbers of newly self-employed.

Ted Mallett, Research Director for the Canadian Federation of Independent Business says that, 'retired or nearly retired in British Columbia are establishing their own businesses to augment pension or investment incomes.' This pattern is doubtless encouraged by the relatively high cost of living in the province compared to many other parts of Canada.

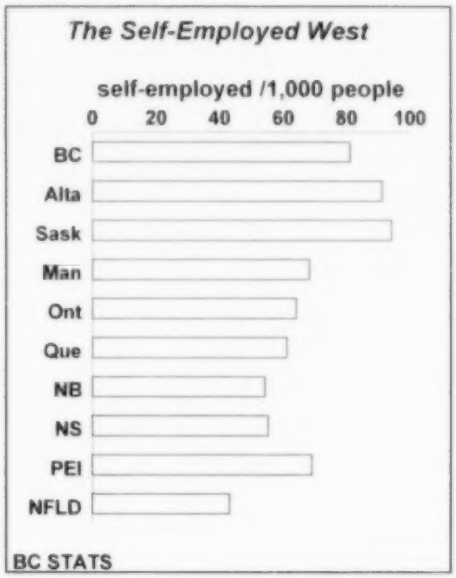
High Levels of Self-Employment Tied to Agriculture, Except In British Columbia

With the exception of British Columbia, high levels of self-employment in Canada are linked to large agricultural industries.

Everywhere in Canada, agriculture supports a proportionately greater number of self-employed people than any other industry. Where there are large numbers of people employed in agriculture, there are also large numbers of self-employed. It is likely that the small and relatively remote communities associated with agriculture also spawn a large number of owner-operated retail and service businesses.

In 1996, Saskatchewan had both the highest concentration of self-employed people of any province, and the highest proportion of its economy committed to agriculture. For every 1,000 people in

Saskatchewan, there were 94 self-employed. This compared to a Canadian average of 68 self-employed per 1,000 people. The 11 per cent of Saskatchewan's gross domestic product in agriculture was more than five times the Canadian average of 2 per cent.



There were similar links between high self-employment and large agricultural industries for Alberta, Prince Edward Island and Manitoba. Alberta had 91 self-employed per 1,000 people and an agriculture industry amounting to 4 per cent of its economy. In Prince Edward Island there were 69 self-employed per 1,000 people and an agriculture industry amounting to 8 per cent of its economy. In Manitoba there were 68 self-employed per 1,000 people and an agricultural industry accounting for 5 per cent of the economy.

British Columbia's 81 self-employed per 1,000 people was well above the Canadian average of 68, but agriculture accounted for only 1 per cent of gross domestic product, half the national average and much too little to explain its high level of self-employment.

There has always been a certain amount of self-employed work associated with the natural resource industries that still dominate the British Columbia economy. For example, there are independent logging operations in forestry and independent fish boat owners or co-adventuring crew (also self-employed) in the fishing industry. Along with these and other resource industries there are always service support activities performed by self-employed people, particularly in small and remote communities.

Small communities in British Columbia have a relatively high incidence of self-employment by national standards, but the really exceptional concentrations of self-employment are in Vancouver and Victoria, its two major centres.

Vancouver and Victoria have had the highest concentrations of self-employment of major centres anywhere in Canada. They have also had some of the highest proportions of immigrants and interprovincial migrants in their populations.

1991 Census data (still the latest available with these statistics) show Vancouver's ratio of immigrants to total population to be 30 per cent, exceeded only by Toronto with 38 per cent.

Victoria also had a high proportion of immigrants in its population (19 per cent) by comparison with the Canadian average (16 per cent). As well, it had the highest proportion of migrants from other provinces (those having migrated within the previous five years) of any major centre in Canada.

Interprovincial migrants accounted for 10 per cent of Victoria's population in 1991, more than twice the 4 per cent ratio for Canada as a whole. Calgary had the next highest concentration (9 per cent), followed by Charlottetown (7 per cent).

Victoria's attraction for people elsewhere in Canada is largely as a retirement centre. But in addition to retirees, the city attracts many people of working age, drawn to the city for its lifestyle attractions. Many of these establish their own businesses as a means of earning a living in local economy known for its tight job market.

Infoline

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BC at a glance . . .

POPULATION (thousands)	Apr 1/97	% change on year ago
BC	3,915.9	2.2
Canada	30,202.9	1.1
GROSS DOMESTIC PRODUCT		% change
(BC - at market prices - $ millions)	1996	on year ago
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) May	2,855	6.2
Merchandise Exports (raw) May	2,177	-2.2
Retail Sales (seasonally adjusted) May	2,783	7.4
CONSUMER PRICE INDEX		% change
(all items - 1986=100)	Jun '97	on year ago
BC	139.9	0.9
Canada	138.0	1.8
LABOUR FORCE (thousands)		% change
(seasonally adjusted)	Jun '97	on year ago
Labour Force - BC	2,002	1.5
Employed - BC	1,831	1.9
Unemployed - BC	170	-2.7
		Jun '96
Unemployment Rate - BC *(percent)*	8.5	8.9
Unemployment Rate - Canada *(percent)*	9.1	10.0
INTEREST RATES (percent)	Jul 23/97	Jul 24/96
Prime Business Rate	4.75	6.25
Conventional Mortgages - 1 year	5.20	6.50
- 5 year	7.00	8.50
US/CANADA EXCHANGE RATE	Jul 23/97	Jul 24/96
(avg. noon spot rate) Cdn $	1.3811	1.3717
US $ *(reciprocal of above rate)*	0.7241	0.7290
AVERAGE WEEKLY EARNINGS		% change
(industrial aggregate - dollars)	May '97	on year ago
BC	617.63	3.0
Canada	602.63	3.2

SOURCES:
Gross Domestic Product: Statistics Canada, revised by BC STATS
Population, Trade, Prices, Labour Force, Earnings: Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

Released this week by BC STATS

- No subscription releases

Next week

- Exports, May 1997
- Business Indicators, July 1997
- Current Statistics, July 1997
- Toourism Room Revenue, April 1997

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